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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER

8-66657

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/30/07  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Sequence Investment Partners, LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

192 East Bay Street Ste. 300

Charleston SC 29401

(City)

(State)

(Zip Code)

**PROCESSED**

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Kevin J. Hish (843) 853-8222

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Glaser Duncan, LLC

(Name - if individual, state last, first, middle name)

890 Johnnie Dodds Bldg 3 Suite A Mt. Pleasant, SC 29464

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

SEC  
Mail Processing  
Section

FEB 29 2008

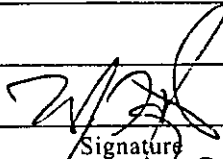
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Kevin J. High, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Sequence Investment Partners, as of December 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

  
Signature

Managing Partner  
Title

 Copy 2013  
Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**SEQUENCE INVESTMENT PARTNERS, LLC**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

Filed  
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Section

FEB 29 2008

Washington, DC  
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**GlaserDuncan**  
CERTIFIED PUBLIC ACCOUNTANTS

**SEQUENCE INVESTMENT PARTNERS, LLC**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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Erik M. Glaser, CPA  
Chris M. Duncan, CPA

member:  
American Institute of CPAs  
SC Association of CPAs

## Independent Auditors' Report

To the Member  
Sequence Investment Partners, LLC  
Charleston, South Carolina

We have audited the accompanying statement of financial condition of Sequence Investment Partners, LLC (a South Carolina Limited Liability Company) as of December 31, 2007, and the related statements of operations, changes in member's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Sequence Investment Partners, LLC as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

February 8, 2008

**SEQUENCE INVESTMENT PARTNERS, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2007**

**ASSETS**

Cash and cash equivalents	\$ 74,452
Prepaid expenses	5,423
Property and equipment, net of accumulated depreciation of \$17,970	<u>20,279</u>
<b>Total Assets</b>	<b><u>\$ 100,154</u></b>

**LIABILITIES AND MEMBER'S EQUITY**

<b>Liabilities</b>	
Accounts payable	\$ 16,517
<b>Total liabilities</b>	<u>16,517</u>
<b>Member's Equity</b>	
Member's equity	<u>83,637</u>
<b>Total Liabilities and Member's Equity</b>	<b><u>\$ 100,154</u></b>

**SEQUENCE INVESTMENT PARTNERS, LLC**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

<b>Operating Revenue</b>	\$ 150,164
<b>General and Administrative Expenses</b>	<u>592,735</u>
Loss from operations	<u>(442,571)</u>
<b>Other Income</b>	
Interest income	2,537
Other income	<u>326</u>
Total other income	<u>2,863</u>
<b>Net Loss</b>	<u><u>\$ (439,708)</u></u>

See accompanying notes and independent auditors' report.

**SEQUENCE INVESTMENT PARTNERS, LLC**  
**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

Member's Equity, at Beginning of Year	\$ 273,519
Contributions from Member	249,826
Net Loss	<u>(439,708)</u>
Member's Equity, at End of Year	<u><u>\$ 83,637</u></u>



**SEQUENCE INVESTMENT PARTNERS, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 152,647
Cash paid to suppliers and employees	(594,208)
Interest received	2,863
Net cash used for operating activities	<u>(438,698)</u>
<b>Cash Flows from Investing Activities</b>	
Purchase of property and equipment	<u>(1,754)</u>
Net cash used for investing activities	<u>(1,754)</u>
<b>Cash Flows from Financing Activities</b>	
Member contributions received	<u>249,826</u>
Net cash provided by financing activities	<u>249,826</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(190,626)
<b>Cash and Cash Equivalents, at Beginning of the Year</b>	<u>265,078</u>
<b>Cash and Cash Equivalents, at End of the Year</b>	<u><u>\$ 74,452</u></u>

**SEQUENCE INVESTMENT PARTNERS, LLC  
STATEMENT OF CASH FLOWS - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**Reconciliation of Net Loss to Net Cash Used by  
Operating Activities**

<b>Net Loss</b>	<u>\$ (439,708)</u>
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**Adjustments to Reconcile Net Loss to Net Cash  
Used by Operating Activities:**

Depreciation	11,329
Bad debt expense	2,483
Change in Current Operating assets and Liabilities:	
Increase in:	
Prepaid expenses	1,280
(Decrease) increase in:	
Accounts payable	3,904
Other liabilities	<u>(17,986)</u>
Total adjustments	<u>1,010</u>

<b>Net Cash Used by Operating Activities</b>	<u><u>\$ (438,698)</u></u>
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**SEQUENCE INVESTMENT PARTNERS, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**· DECEMBER 31, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Sequence Investment Partners, LLC is presented to assist in understanding the Company's financial statements. The financial statements and notes are the representation of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Organization and Nature of Business**

Sequence Investment Partners, LLC is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA). The Company is a South Carolina Limited Liability Company and wholly owned subsidiary of Sequence Holdings, LLC that was organized in April 2005.

The Company operates a limited investment banking business consisting of advisory work and private placements to accredited investors. The Company does not hold funds or securities for or owe money or securities to customers.

**Limited Liability Company**

The single member of Sequence Investment Partners, LLC has limited liability.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates. Significant estimates include depreciable lives and depreciation methods for fixed assets.

**Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

**Property and Equipment**

Property and Equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight line method over estimated useful lives of related assets. Depreciation expense for the year ended December 31, 2007 was \$11,329.

**Advertising**

The Company expenses advertising costs as they are incurred. Advertising expenses totaled \$2,166 for the year ended December 31, 2007.

**Income Taxes**

The Company was established as a single member Limited Liability Company (LLC), which is disregarded as an entity separate from its owner for Federal Income Tax Purposes. In lieu of corporate income taxes, the members of an LLC are taxed on their proportionate share of the company's taxable income.

**SEQUENCE INVESTMENT PARTNERS, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**2. PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2007 are as follows:

Software	\$ 30,400
Office equipment	3,498
Furniture and fixtures	4,351
	<u>38,249</u>
Accumulated depreciation	<u>(17,970)</u>
Net property and equipment	<u>\$ 20,279</u>

**3. OPERATING LEASES**

The Company leases its facilities under an operating lease expiring in August 14, 2010. Lease expense is recognized on a straight line basis, in accordance with accounting principles generally accepted in the United States of America.

Lease expense for the year ended December 31, 2007, was \$52,233. See Note 4 for additional information on lease.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2007, are:

<u>Year Ended December 31,</u>	<u>Amount</u>
2008	\$ 48,000
2009	48,000
2010	32,000
Thereafter	<u>-</u>
Total future minimum rental payments	<u>\$ 128,000</u>

**4. RELATED PARTY TRANSACTIONS**

The Company leases its operating premises from its parent company. Total rental expense for the facilities was \$52,233 for the year ended December 31, 2007. The lease term is fifty-seven months through August 14, 2010, and provides for monthly rate of \$3,500 from September 1, 2006 through August 30, 2007, and \$4,000 thereafter. Included in the rent expense are regime fees and capitalizable and expendable equipment.

**SEQUENCE INVESTMENT PARTNERS, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**4. RELATED PARTY TRANSACTIONS - CONTINUED**

The Company entered into a management services agreement with its parent on December 1, 2005. Under the terms of the agreement, the Company pays \$1,000 per month for administrative services provided by its parent company including telephone, internet access, copier, janitorial and office supplies. The agreement may be cancelled by either party upon 30 days notice. The Company paid a total of \$12,000 to its parent during 2007 in accordance with this agreement.

**SEQUENCE INVESTMENT PARTNERS, LLC**  
**SCHEDULE I – COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET**  
**CAPITAL PURSUANT TO RULE 15c3-1**  
**DECEMBER 31, 2007**

**Aggregate Indebtedness:**

Accounts payable	\$ 16,517
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Total aggregate indebtedness:	<u>16,517</u>
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**Net Capital:**

Member's equity	\$ 83,637
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Adjustments to net capital:

Other assets	(5,423)
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Property and equipment, net	<u>(20,279)</u>
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Net capital, as defined	57,935
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Minimum net capital requirement	<u>5,000</u>
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Net capital in excess of requirement	<u>\$ 52,935</u>
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Ratio of aggregate indebtedness to net capital	<u>28.51%</u>
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**SEQUENCE INVESTMENT PARTNERS, LLC**  
**SCHEDULE I – COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET**  
**CAPITAL PURSUANT TO RULE 15c3-1 - CONTINUED**  
**DECEMBER 31, 2007**

**Reconciliation of 4th Quarter 2007 FOCUS Report to Audited Financial Statements**  
**at December 31, 2007:**

	<b>UNAUDITED</b>	
	<b>Per FOCUS Report</b>	<b>Difference from Audited Financial Statements</b>
<b>Aggregate Indebtedness:</b>		
Accounts payable	\$ 27,986	\$ 11,469
Total aggregate indebtedness:	<u>27,986</u>	<u>11,469</u>
<b>Net Capital:</b>		
Member's equity	\$ 85,861	\$ 2,224
Adjustments to net capital:		
Other assets	(9,541)	(4,118)
Property and equipment, net	<u>(29,854)</u>	<u>(9,575)</u>
Net capital, as defined	46,466	(11,469)
Minimum net capital requirement	<u>5,000</u>	<u>-</u>
Net capital in excess of requirement	<u>\$ 41,466</u>	<u>\$ (11,469)</u>
Ratio of aggregate indebtedness to net capital	<u>60.23%</u>	

The differences in computations of Net Capital per the 4<sup>th</sup> Quarter 2007 FOCUS Report and the 2007 audited financial statements are the result of adjustments made during the audit.

## **Report of Independent Public Accounting Firm on Internal Control**

To The Member  
Sequence Investment Partners, LLC  
Charleston, South Carolina

In planning and performing our audit of the financial statements of Sequence Investment Partners, LLC (the Company), as of and for the year ended December 31, 2007 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13
2. Complying with the requirements of prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.



Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above. A significant deficiency was noted during the audit of the financial statements. This deficiency related to the identification by the auditors of a material misstatement in the financial statements for the period under audit that was not initially identified by the entity's internal control. However, this deficiency is not considered to be a material weakness in internal control.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2007, to meet the SEC's objectives.

This report is intended solely for the information and use of the Member, management, the SEC, the Financial Industry Regulatory Authority, Inc., and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

 Y. Hasegawa, CPA

February 8, 2008

END